

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

04-019

2. STATE:

MN

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
July 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT  
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ ( 357,000)  
b. FFY 2005 \$ (1,642,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

page 5 of Supplement 8a to Attachment 2.6-A

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

page 5 of Supplement 8a to Attachment 2.6-A

10. SUBJECT OF AMENDMENT:

Reduction in income disregard for poverty level children age one up to age 19.

11. GOVERNOR=S REVIEW (Check One):

☒ GOVERNOR=S OFFICE REPORTED NO COMMENT ☐ OTHER, AS SPECIFIED:  
☐ COMMENTS OF GOVERNOR=S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

// Mary B. Kennedy – signature //

16. RETURN TO:

Stephanie Schwartz  
Federal Relations Unit  
Minnesota Department of Human Services  
444 Lafayette Road No.  
St. Paul, MN 55155-3852

13. TYPED NAME:

Mary B. Kennedy

14. TITLE:

Medicaid Director

15. DATE SUBMITTED: July 30, 2004

*Minnesota (04-019)*  
*Approved: 09/24/04*  
*Effective: 07/01/04*

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: July 30, 2004

18. DATE APPROVED:

SEP 24 2004

**PLAN APPROVED BY ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

*July 1, 2004*

20. SIGNATURE OF REGIONAL OFFICIAL:

*Cheryl A. Harris*

21. TYPED NAME: Cheryl A. Harris

22. TITLE: Associate Regional Administrator  
Division of Medicaid and Children's Health

23. REMARKS:

POLICY	HOW POLICY IS MORE LIBERAL	GROUPS TO WHICH POLICY IS APPLIED
<b>Income disregard for low income families.</b> Disregard the difference between the ' 1931 income standard (Supplement 1 to Attachment 2.6-A, page 1) and 100 percent of the Federal poverty levels. Adjust annually on July 1.	AFDC applied a \$50 child support exclusion from income and a \$90 disregard of earned income to applicants and recipients. AFDC also applied a \$30 earned income disregard for 12 months to recipients. This income disregard replaces all of the above methods.	Low-income families. §1931
<b>Income disregard for mandatory and optional categorically needy groups related to AFDC, and medically needy families.</b> Disregard the difference between the medically needy income standard (Supplement 1 to Attachment 2.6-A., page 7) and 100 percent of the Federal poverty levels. Adjust annually on July 1.	AFDC applied a \$50 child support exclusion and a \$90 disregard of earned income. This income disregard replaces these two methods.	Qualified pregnant women, children and families. §§1902(a)(10)(A)(i)(III) and 1905(n). Optional categorically needy - families and children. §§ 1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii). Medically needy - families and children. §§ 1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii).
<b>Earned income disregard for low income families and children.</b> Disregard 17 percent of earned income for four months for applicants or recipients.	AFDC had no similar disregard for applicants. AFDC applied to recipients a disregard of 1/3 of earned income for four months. This disregard applies to applicants, and for recipients replaces the four months of a 1/3 disregard of earned income.	Low income families. §1931
<b>Earned income disregard for mandatory and optional categorically needy groups related to AFDC, and medically needy families.</b> Disregard 17 percent of earned income for four months for applicants or recipients.	AFDC had no similar disregard for applicants. This disregard applies applicants and recipients.	Qualified pregnant women, children and families. §§ 1902(a)(10)(A)(i)(III) and 1905(n) Optional categorically needy - families and children. §§ 1902(a)(10)(A)(ii), 1905(a)(i) and 1905(a)(ii). Medically needy - families and children. §§ 1902(a)(10)(C)(i)(III), 1905(a)(i) and 1905(a)(ii).
<b>Income Disregard for certain poverty level children.</b> Disregard the difference between the income standard and income up to <del>470</del> <u>150</u> percent of poverty. Adjust annually on July 1.	AFDC applied a \$50 child support exclusion from income <del>and a \$90 disregard of earned income.</del> This income disregard replaces <del>both these</del> <u>this</u> methods.	Children age one through five. §1902(a)(10)(A)(i)(VI)  Children age six up to age 19, born after September 30, 1983. §1902(a)(10)(A)(i)(VII).

TN No. 04-19  
Supersedes  
TN No. 03-18

Approval Date: SEP 24 2003

Date: 7/01/04